GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1357
ANSWERED ON:02.03.2001
UTI INTO MUTUAL FUND
MOHAMMED SHAHABUDDIN

Will the Minister of FINANCE be pleased to state:

(a) whether the Government have decided to convert the UTI into Mutual Fund by abolishing UTI Act, 1963;

(b) if so, the reasons therefor; and

(c) the concrete steps taken by the Government to ensure security of amount invested by the investors in the various schemes of UTI ?

Answer

MINISTRY OF STATE IN THE MINISTRY OF FINANCE (BALASAHEB VIKHE PATIL)

(a) : No, Sir.

(b) : Does not arise.

(c) : UTI is an autonomous body created by an Act ofParliament. As per the UTI Act, the Board of Trustees, in discharging its functions, acts on business principles, keeping in view the interests of unit holders. All schemes floated by UTI after July 1994 are within the regulatory purview of the Securities and Exchange Board of India (SEBI). Most of theschemes launched prior to 1994 have also been voluntarily subjected to supervision and inspection by SEBI and compliance with its guidelines for mutual funds. In July, 2000, as suggested by Government, UTI set up a Committee on Corporate Positioning to review its competitive and commercial positioning in the light of financial sector reforms and developments in the mutual fund industry.